

**ASSEMBLY BILL**

**No. 408**

**Introduced by Assembly Member Correa**

February 20, 2001

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An act to amend Sections 7623 and 7630 of, and to add Section 9780.5 to the Business and Professions Code, relating to human remains, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 408, as introduced, Correa. Human remains: funeral and cemetery establishments.

Existing law requires a funeral director to obtain a separate license for each funeral establishment the director operates.

This bill would require the funeral establishment to obtain a separate license for each funeral establishment operated.

Existing law allows the assignment of a funeral establishment's license if, among other things, a licensed funeral director manages, directs, or controls the business of the funeral establishment.

This bill would authorize the assignment of a funeral establishment's license upon receipt of a satisfactory audit, performed by a licensed certified public accountant or public accountant, that verifies the accuracy of the establishment's trust fund balances and reports the establishment's compliance with certain provisions of the Funeral Directors and Embalmers Law.

Existing law authorizes a crematory to be established, operated, or maintained by corporations, partnerships, or individuals that have a valid crematory license issued by the Cemetery and Funeral Bureau.

This bill would require the bureau to be notified of any change of equitable interest of 50% or more in a crematory and would require that the purchaser obtain a new crematory license from the bureau.

Because this bill would lead to an increase in certain fees that are deposited in the Funeral Directors and Embalmers Fund and the Cemetery Fund, both of which are continuously appropriated special funds, the bill would make an appropriation.

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 7623 of the Business and Professions  
2 Code is amended to read:

3 7623. If an applicant for a funeral ~~director's establishment~~  
4 license proposes to engage in or conduct more than one funeral  
5 establishment, the applicant shall make a separate application and  
6 procure a separate license ~~as a funeral director~~ for each separate  
7 ~~location establishment~~.

8 SEC. 2. Section 7630 of the Business and Professions Code  
9 is amended to read:

10 7630. A funeral establishment's license may be assigned upon  
11 payment of the fee fixed by this chapter and upon ~~compliance with~~  
12 ~~Section 7616.2. However, an audit shall be conducted of the firm's~~  
13 ~~preneed trust funds and any submission of an audit report prepared~~  
14 ~~and signed by an independent certified public accountant or public~~  
15 ~~accountant currently licensed in this state. The audit report shall~~  
16 ~~include an unqualified opinion on the accuracy of the trust fund~~  
17 ~~balances and a report of compliance with the provisions of this~~  
18 ~~article and Article 9 (commencing with Section 7735). Any~~  
19 ~~shortages in those the trust funds shall be funded.~~

20 The assignee ~~has the right to renew the license~~ shall comply with  
21 ~~all provisions previously placed on the assignor.~~

22 SEC. 3. Section 9780.5 is added to the Business and  
23 Professions Code, to read:

24 9780.5. Any change in the ownership of a crematory shall be  
25 reported to the Cemetery and Funeral Bureau. Any transfer in a  
26 single transaction or a related series of transactions of more than  
27 50 percent of the equitable interest in a licensed crematory shall  
28 constitute a change of ownership. When a change of ownership in



- 1 a crematory occurs, the existing crematory license shall lapse and
- 2 a new license shall be obtained from the bureau by the new owner.

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